

Message Text

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ACTION ARA-20

INFO OCT-01 ADP-00 AID-20 EB-11 IGA-02 CIAE-00 DODE-00

INR-10 NSAE-00 PA-03 RSC-01 USIA-15 PRS-01 COME-00

SIL-01 LAB-06 OPIC-12 DOTE-00 L-03 TRSE-00 RSR-01

/107 W

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R 021815Z AUG 73

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC 2138

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E. O. 11652: N/A

TAGS: EGEN, BDIS, NU

SUBJECT: ORPHANS' HOME BID CONTROVERSY - ROUND TWO

REF: MANAGUA 2999

BEGIN SUMMARY: PRIVATE SECTOR CRITICS OF THE CONTROVERSIAL AWARD TO PANELFAB OF A RECENT ORPHANS' HOME CONSTRUCTION CONTRACT HAVE RECEIVED THE STRONG PUBLIC SUPPORT OF THE NICARAGUAN ASSOCIATION OF ENGINEERS AND ARCHITECTS (ANIA). ANIA SECONDED CONSTRUCTION INDUSTRY COMPLAINTS THAT THREE LOW BIDS WERE REJECTED IN FAVOR OF THE HIGH COST PANELFAB DESIGN. MORE IMPORTANT, THE ANIA EVALUATION CRITICIZED THE AMBIGUITY OF THE BID DOCUMENTS, AND RAISED SERIOUS QUESTIONS ABOUT THE LEGALITY OF THE BID PROCEDURE AND SUGGESTED THAT THE BID BE REOPENED. END SUMMARY.

1. THE ORIGINAL CHAMBER OF CONSTRUCTION CRITICISM OF THE ORPHAN'S HOME BID PROCEDURE WAS LIMITED TO COMPLAINTS THAT A HIGH BID WON OVER A LOW BID, PLUS THE IMPLIED ASSERTION THAT THE WINNER'S POLITICAL POSITION WAS MORE IMPORTANT THAN COST IN AWARDING THE CONTRACT.

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ANIA, WHICH ENTERED THE FRAY AT THE REQUEST OF THE

CHAMBER OF CONSTRUCTION, AGREED THAT COST WAS GIVEN LITTLE WEIGHT IN SELECTING THE WINNING BIDDER, CAREFULLY IGNORED THE QUESTION OF POLITICAL INFLUENCE, AND THEN WENT WELL BEYOND PREVIOUS CRITIQUES TO SUGGEST THAT THE BID PROCEDURE AND EVALUATION WERE BOTH BADLY DONE AND ILLEGAL.

2. THE ANIA CRITICISMS ARE BASED PRIMARILY ON TECHNICAL AND LEGAL GROUNDS. IN THE FIRST CATEGORY THE ANIA REPORT NOTES THAT THE ORIGINAL BID SPECIFICATIONS WERE SO VAGUE THAT A MEANINGFUL EVALUATION OF THE BIDS IS IMPOSSIBLE. ALTHOUGH THE BIDS WERE SUPPOSEDLY WEIGHED FOR SUCH FACTORS AS QUALITY, DURABILITY, THERMAL RESISTANCE AND ABILITY TO WITHSTAND TREMORS, THE SPECIFICATIONS DID NOT CALL FOR THE TECHNICAL DATA NECESSARY TO MAKE AN OBJECTIVE COMPARISON.

3. FOR ITS LEGAL ARGUMENTS, ANIA USED THE REGULATIONS OF THE NATIONAL BOARD OF WELFARE AND SOCIAL ASSISTANCE (JNAPS). THREE MAJOR POINTS WERE MADE. FIRST, JNAPS REGULATIONS PROHIBIT A PROJECT DESIGNER FROM PARTICIPATING IN A SUBSEQUENT CONSTRUCTION BID. DONA HOPE HERSELF ADMITTED THAT PANELFAB QUOTE DONATED END QUOTE THE ARCHITECTURAL PLANS USED FOR THE BID. (THE ANIA REPORT ALSO NOTES IN PASSING THAT THE PLANS PANELFAB ATTACHED TO ITS BID WERE DATED MARCH 12, WHICH IS OVER A MONTH BEFORE THE OTHER BIDDERS GOT COPIES OF THE BID DOCUMENTS.) A SECOND AND RELATIVELY MINOR LEGAL QUIBBLE IS THAT THE JNAPS EVALUATING COMMITTEE WAS NOT LEGALLY CONSTITUTED, SINCE IT INCLUDED REPRESENTATIVES OF THE OFFICE OF URBAN PLANNING AND THE LIGHT AND POWER COMPANY, BUT NOT THE OFFICIALS REQUIRED BY JNAPS REGULATIONS. FINALLY, JNAPS REGULATIONS STATE THAT A FOREIGN COMPANY MAY BE AWARDED A CONSTRUCTION CONTRACT ONLY IF ITS BID IS TEN PERCENT LOWER THAN THE BID OF A NICARAGUAN FIRM. (THIS OBJECTION MAY CARRY LITTLE WEIGHT SINCE PANELFAB IS REPRESENTED BY A LEGAL NICARAGUAN FIRM (DR LOVO) WHICH ACTUALLY SUBMITTED THE BID. ALSO, THE LOW BIDDER IS REPRESENTING A FOREIGN PRE-FAB COMPANY.) ANIA POINTS

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OUT THAT THE PANELFAB BID WAS 93 PERCENT ABOVE THE LOW NICARAGUAN BID.

4. ANIA CONCLUDES ITS REPORT WITH THE RECOMMENDATION THAT THE BID BE THROWN OUT AND DONE OVER DUE TO ITS MANY LEGAL AND TECHNICAL PROBLEMS AND GOES ON THE RECOMMENDATION THAT THE GON AND THE LOCAL CONSTRUCTION INDUSTRY BE MORE ATTENTIVE TO PROPER BIDDING PROCEDURES.

5. COMMENT: THE ANIA REPORT MAY NOT BE FULLY SATISFACTORY TO THE LOW BIDDER, WHO WAS HOPING FOR A RECOMMENDATION THAT HE BE AWARDED THE CONTRACT. HOWEVER, THE REPORT IS PRESUMABLY EVEN MORE UNSATISFACTORY TO PANELFAB, JNAPS AND THE GON. APPARENTLY FACTUAL AND OBJECTIVE, THE ANIA REPORT IS MUCH MORE DAMAGING THAN ANY NUMBER OF SNIDE EDITORIALS IN LA PRENSA. WHETHER IT WILL HAVE ANY EFFECT ON THIS PARTICULAR BID, OR ON GON BIDDING PROCEDURES IN GENERAL, REMAINS TO BE SEEN. SHELTON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 02 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973MANAGU03301
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: MANAGUA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730862/aaaabtj.tel
Line Count: 126
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 73 MANAGUA 2999
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 24 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24-Jan-2002 by thigpegh>; APPROVED <12 FEB 2002 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ORPHANS' HOME BID CONTROVERSY - ROUND TWO
TAGS: EGEN, BDIS, NU
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005